

TOPIC	EXPENDITURES	SUB-SECTION 11.40.10
SECTION	WAIVERS	ISSUANCE DATE August 14, 2015
SUB-SECTION	PRE-PAYMENT WAIVERS	REVISED – 7/2017

PRE-PAYMENT WAIVER PROCESS

Waiver of Certification

In accordance with section 7-7-27, Miss. Code Ann. (1972), DFA may waive, under certain circumstances, the requirement for certification that the goods or services rendered have been delivered or performed. "Such waivers may pertain to, but should not be limited to, prepaid items, service contracts of limited time periods for lease of office space and equipment, computer software and sub grantee disbursements under federal grant program." There are two types of waivers OFM may grant: a prepayment for goods or services during the normal course of business, and lapse period payments for goods and services with delayed delivery at year end.

Pre-Payment Waivers

Waivers may be granted for payments to Vendors before the goods or services are received or performed. The agency must explain the circumstances or reasons why they are requesting the waiver. A copy of the invoice or contract showing the prepayment terms must be attached to the request. Sub-Section 11.40.15 is an example of the letter to be used for requesting a prepayment waiver, and should be sent to DFA Office of Fiscal Management.

Purchases where prepayments of goods or services are for one year or less and are considered standard industry practice do not require waiver letters be submitted to DFA. Examples of these types of prepayments include but are not limited to the items listed below.

MONTHLY: (no more than 12 payments in a fiscal year): rent (i.e. land, buildings, office space, office equipment, etc.), maintenance fees, operating fees (i.e. application service provider – ASP fees) and leases (i.e. vehicle, equipment)

ANNUAL: (no more than 1 payment in a fiscal year): rent of a post office box, membership dues, subscriptions, software maintenance fees, etc.

TRAVEL: registration fees for conventions and conferences and deposits for hotel fees

Prepayment for more than one year for goods and services including the three items above requires a Pre-Payment Waiver.

On June 18, 2010, DFA granted approval authority to ITS to approve contracts for multi-year prepayments of information technology services and software licensing for agencies under ITS purview. The ITS Procurement Handbook can be found at

<http://www.its.ms.gov/Procurement/Documents/ISS%20Procurement%20Manual.pdf#page=1>. Requests

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for Prepayment Waiver for these items should be sent to ITS per their requirements. A copy of the project specific prepayment approval letter from ITS will need to be attached to the invoice when submitted to DFA.

If federal funds are used to prepay multi-year services or licensing, agencies will need to ensure that the prepayment conforms to the federal grant regulations and requirements. Agencies will need to provide documentation to DFA that the prepayment conforms to the federal grant regulations and requirements.

Prepayment Waiver Process

Submit request letter and supporting documentation to DFA OFM via email at ofm.bfc@dfa.ms.gov or via handmail or mail to DFA OFM BFC, P O Box 1060, Jackson, MS 39215.

If the waiver is approved, a response letter is generated and sent to the agency.

If a paper warrant is needed and the vendor is normally paid via Paymode, display vendor record using FK03 and verify that the payment method is either LW or LP. If not, email a listing of the vendor number you need to use for your prepayment to OFMMAGIC@dfa.ms.gov. **DO NOT PROCEED UNTIL THE VENDOR RECORD HAS LW OR LP WHICH HAS TO BE ENTERED BY OFM.**

Once vendor record shows LW or LP, enter MAGIC invoice using transaction code **FV60** and document type **XV**. Attach OFM approval letter and vendor invoice.

In the **Header Text Field** of the document put **PREPAYMENT WAIVER REQUEST**.

Select the payment tab within the document and enter 'L' as the payment method. By selecting 'L', a single paper warrant will be generated for this payment.